

fuel an additive violating the applicable sulfur standard pursuant to the requirements of § 80.521(a) or (b), as applicable, or of causing another party to so blend such an additive, is subject to a separate day of violation for each and every day the motor vehicle diesel fuel or NRLM diesel fuel into which the noncomplying additive was blended, remains any place in the fuel distribution system.

(4) For purposes of this paragraph (b):

(i) The length of time the motor vehicle diesel fuel, NRLM diesel fuel, ECA marine fuel, heating oil, or other distillate fuel in question remained in the diesel fuel distribution system is deemed to be 25 days, except as further specified in paragraph (b)(4)(ii) of this section.

(ii) The length of time is deemed not to be 25 days if a person subject to liability demonstrates by reasonably specific showings, by direct or circumstantial evidence, that the noncomplying motor vehicle, NR diesel fuel, NRLM diesel fuel, ECA marine fuel, heating oil, or distillate fuel remained in the distribution system for fewer than or more than 25 days.

(c) Any person liable under § 80.612(b) for failure to meet, or causing a failure to meet, a provision of this subpart is liable for a separate day of violation for each and every day such provision remains unfulfilled.

[69 FR 39208, June 29, 2004, as amended at 75 FR 22977, Apr. 30, 2010]

**§ 80.616 What are the enforcement exemptions for California diesel distributed within the State of California?**

(a) For the purpose of this section, “California diesel fuel” is defined as any diesel fuel physically within the State of California that satisfies all requirements of Title 13, California Code of Regulations, Sections 2281–2285, and is sold, intended for sale, or made available for sale as a motor fuel in the State of California, subsequent to May 31, 2006.

(b) Any retailer or wholesale purchaser-consumer of California diesel fuel is, with regard to such diesel fuel, exempt from the labeling requirements contained in §§ 80.570, 80.571, 80.572, 80.573, and 80.574.

(c)(1) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the product transfer requirements of § 80.590, provided that the product transfer document contains the following statement:

“California diesel fuel. Maximum 15 ppm sulfur.”

(2) Product codes may be used to satisfy this product transfer document requirement.

(d) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the designation requirements of § 80.598, provided that:

(1) The refiner, importer, or distributor does not transfer custody of the California diesel fuel to facility outside the State of California;

(2) The fuel is intended to be sold or made available for sale in the State of California; and

(3) The PTD requirements in paragraph (f) of the section are satisfied.

(e) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the volume balance requirements of § 80.599.

(f) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the recordkeeping requirements under designate and track provisions of § 80.600.

(g) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the reporting requirements for the purposes of the designate and track provisions of § 80.601.

(h) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the recordkeeping requirements for entities in the MV or NRLM diesel fuel and diesel fuel additive production, importation, and distribution systems of §§ 80.592 and 80.602 except those relating to sampling and testing, under §§ 80.581, 80.584, 80.585, and 80.586.

(i) Any refiner or importer of California diesel fuel is, with regard to

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such diesel fuel, exempt from the annual reporting requirements for NRLM diesel under § 80.604.

[71 FR 25725, May 1, 2006]

### **§ 80.617 How may California diesel fuel be distributed or sold outside of the State of California?**

California diesel may be distributed or sold outside of the State of California provided the provisions of either paragraph (a) or (b) of this section are satisfied:

(a) *Distribution of taxed or dyed California diesel fuel.* California diesel fuel that is distributed from a truck loading terminal after such diesel has been taxed or dyed may be distributed or sold outside of the State of California, provided that it is accompanied by a Product Transfer Document that states: "California diesel fuel. Maximum 15 ppm sulfur."; or

(b) *Distribution of untaxed and undyed diesel California diesel fuel.* California diesel may be distributed or sold outside of the State of California without having been dyed or taxed provided that the requirements of either paragraph (b)(1) or (b)(2) of this section are satisfied. (Note that the requirements of IRS code 26 CFR part 48 along with other applicable requirements outside of this 40 CFR part 80 subpart I must also be satisfied.)

(1)(i) Prior to shipment outside the State of California, the California diesel fuel meets all requirements of § 80.616 and meets all of the requirements of 40 CFR part 80, subpart I that are not exempted under this section;

(ii) The California diesel fuel is shipped out of the state via pipeline;

(iii) The pipeline shipping the California diesel out of state maintains the California diesel fuel designation while the product is in the pipeline's custody;

(iv) The pipeline provides a product transfer document that clearly indicates that the product is designated as California diesel fuel;

(v) Upon delivery into the terminal, the terminal receiving the California diesel fuel redesignates it as motor vehicle diesel meeting the 15 ppm sulfur standard; and

(vi) The terminal includes the volumes of California diesel fuel redesignated as motor vehicle diesel fuel in

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the total volume of motor vehicle diesel designated meeting the 15 ppm sulfur standard received by the terminal, per the volume balance and anti-downgrading equations for motor vehicle diesel fuel found in § 80.599(b) and (e).

(2)(i) The California diesel fuel is delivered via pipeline to a terminal outside the State of California that has a tank dedicated to the receipt of California diesel fuel and which intends to distribute the diesel fuel from the dedicated tank back into the State of California;

(ii) The terminal must maintain the designation of the diesel fuel as "California diesel fuel" and not redesignate it to another product;

(iii) The product transfer documents for California diesel fuel distributed by a terminal outside of the state of California must indicate "California diesel fuel. Maximum 15 ppm sulfur."; and,

(iv) Any volume of California diesel fuel distributed by a terminal outside the state of California must be taxed or dyed and must be excluded from the terminal's volume balance equations under § 80.599.

[71 FR 25726, May 1, 2006]

### **§§ 80.618–80.619 [Reserved]**

PROVISIONS FOR FOREIGN REFINERS AND IMPORTERS FOR MOTOR VEHICLE DIESEL FUEL SUBJECT TO A TEMPORARY COMPLIANCE OPTION OR HARDSHIP PROVISION

### **§ 80.620 What are the additional requirements for diesel fuel or distillates produced by foreign refineries subject to a temporary refiner compliance option, hardship provisions, or motor vehicle or NRLM diesel fuel credit provisions?**

(a) *Definitions.* (1) A foreign refinery is a refinery that is located outside the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (collectively referred to in this section as "the United States").

(2) A foreign refiner is a person who meets the definition of refiner under § 80.2(i) for a foreign refinery.

(3) A diesel fuel program foreign refiner ("DFR") is a foreign refiner that